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Advancing Energy Transition While on the Road to Democracy

Tunisia's Double Challenge

Shahrazad Far

In countries undergoing a fragile political transition under dire economic conditions such as Tunisia, an energy transition toward equitable and sustainable development is an intricate undertaking. The energy transition in Tunisia, which was first initiated in 2009 and reviewed in 2012, has been tackled from a largely techno-economic prism which underemphasizes the transition's significant socio-political dimension in the post-revolution context. As the country sets to move forward with its democratization process, the energy transition should ideally push in the same political direction and adopt both participatory and inclusionary approaches that go hand in hand with technological and market-led solutions.

As Tunisia continues to push forward its democratic transition, rising energy bills are becoming a major obstacle. The future of the country's young democracy also depends on security and economic progress – and energy is a key factor in both.

The energy challenges are clear. Tunisia remains heavily dependent in its consumption of primary energy on fossil fuels (84% for both oil and gas). In electricity production alone, Tunisia heavily relies (97%) on natural gas, half of which it imports from neighboring Algeria. Given the currently grim economic conditions in the country coupled with high energy subsidies,¹ the government finds itself increasingly burdened by high energy costs which cannot be sustained in the medium to long term.

Despite a great potential of renewable energies, particularly wind and solar, the country relies on fossil-fuels in all its sectors and especially in the vital ones (power, transport and construction). In the past two decades, demand for energy has been consistently increasing, not least due to population growth. Meanwhile, domestic supply of crude oil has been steadily decreasing. In 2001, the

country turned from an 'energy net-exporting' country into an 'energy net-importing country', raising the importance of achieving energy independence as a national strategic objective over the years.

Triggered by concerns that it was witnessing a sustained decline in energy independence since the 1990s, Tunisia began an energy transition before the political revolution. In 2009 the government launched Le Plan Solaire Tunisien or PST (Tunisian Solar Plan) as the cornerstone of its energy transition strategy.² The 2012 revision of the PST stipulates its general objective as increasing the share of renewables in the installed capacity for electricity generation from 2% to 30% until the year 2030 (15% wind, 10% Solar Photovoltaic PV and 5% Concentrated Solar Power CSP). In addition to the promotion of renewable energies, the PST stipulates increasing energy efficiency to 34% in 2030.

In light of its energy independence concerns, the energy transition in Tunisia remains a largely indisputable national priority. Energy dynamics in Tunisia are part and parcel of the country's larger 'development-stability' dilemma which has outlived the revolution it largely triggered. Similar to many countries in the wider MENA region, Tunisia is faced with the challenge of further advancing the political transition to democracy on the one hand and in parallel undergoing the transition to a sustainable energy pathway on the other.

The parallel processes are not without conflict. There is an instinct to protect energy strategy from domestic political turmoil – to run the transition as a techno-economic process. However, such a decoupling of energy from politics is neither easily achievable in the midst of a democratic transition, nor is it supportive of a democratic system. Thus, Tunisia will need to open its energy transformation to some participatory and inclusionary processes in order for it to be effective and efficient.

Given the difficult political transition accompanied by social unrest and fragile security with the already-weak legal and regulatory framework, Tunisia is finding it difficult to attract adequate investments for its PST in the past years. The Tunisian private sector, which after decades of a state controlled economy remains largely weak and non-competitive, cannot be expected to play a big role in providing the necessary investment for the energy transition. The insufficient domestic investment has increased the need for Foreign Direct Investments (FDI) which are conditional to stable political conditions and reassuring legal frameworks for foreign investors. Efforts have been made to strengthen the legal framework for attracting investments. Most notably a new law was passed in August 2016 (Law no. 2015-12) that establishes the legal framework for integrating renewable energies in the grid and is meant to help attract the foreign investment necessary for such renewable integration.

Energy efficiency efforts have had more success than the development of renewables. The country has been able to gradually and continually decrease its energy intensity levels. Thanks to a forward-looking policy of the energy sector by former president Habib Bourguiba (1956 to 1987), an experimentalist attitude toward the adoption of different energy conservation mechanisms since the mid-1980s has left the country with a good regulatory framework that has supported significant advancements. According to a 2017 World Bank study, Tunisia is the only middle-income country in the region that ranks relatively high on several regulatory indicators pertaining to energy conservation and efficiency. For example, Tunisia is one

of the leaders in the region in energy efficiency standards and labelling.³

The Tunisian Peculiarity

Tunisia faces a particular challenge in advancing its political transition to democracy and in parallel undergoing the shift to a sustainable energy pathway. While the two processes remain intrinsically linked, they present a compound challenge for decision makers.

One approach to master this challenge is by decoupling the two processes in the hopes of avoiding exacerbating domestic instability amid widespread political unrest in the region. The decoupling approach attempts to insulate the energy transition process from political reforms, to ensure that the energy transition process remains outside the contestable political domain. With energy policy thus depoliticized, it becomes a techno-economic state-led affair that favors centralized decision-making with limited room, if any, for participatory approaches.

The decoupling of the two processes is perceived by most decision-makers across the region to be in line with the national interest because an effective top-down, centralized approach is thought to deliver on necessary national energy plans and be able to set targets more rapidly. While this wisdom prevails, in post-revolution Tunisia, the democratization process complicates the picture.

Dangers of Decoupling Energy Transition from Democratization

In Tunisia, where the post-Arab Spring political transition is still laboring ahead, the decoupling strategy may very well have an adverse impact: trying to keep energy outside the democratic process could undermine both the political and the energy transition. There are two main reasons for this.

First, in today's Tunisia, public opinion matters. Some of the public mobilization initiatives that sprung up right after the overthrow of president Zine El-Abidine Ben Ali, focus on energy-related issues. There are environmental movements against industrial pollution and environmental degradation, particularly in the mining regions (such as those in the governorate of Gabes), as well as dissent initiatives or campaigns such as "Winou el petrol?" ("Where is the Oil?"). The reach of these campaigns indicates that public opinion and perceptions in post-revolution Tunisia is a power to reckon with. The venues for freedom of expression have significantly widened since the 2010 revolution, creating new actors, new channels of contestation, and new levels of societal engage-

ment. Consequently, energy sector reform has been and will continue to be more exposed to media scrutiny and public pressure. Furthermore, the legacy of dictatorship has eroded trust in the state so that technocratic, state-led policies cannot count on public support, but instead will need to earn it. If Tunisia's democratic transition continues apace, the energy transition will need to be supported by civil society multipliers.

The second reason Tunisia cannot detangle energy from politics is that the energy transition (both in its objective and its process) is organically linked to the grievances that triggered the revolution in 2010. The long-standing vulnerabilities and inequalities, including regional disparities and high unemployment rates, especially among youth, persist. There have been frequent large-scale job protests demanding employment in the marginalized regions of the country.⁴ In general, the public is disenchanted with the post-revolution situation. This is especially true in the hinterland regions (such as the governorates of Jendouba, Le Kef, Kasserine and Gafsa) that lag behind in development due to decades of policies disadvantaging them under the old regime. Thus the central state and its energy projects face a distrustful public, and in some regions even an antagonistic one, and continuing socio-economic discontent.

Democratizing Energy Transition as a Spillover Effect

The solar plan (PST) of 2009 and its review in 2012 pre-date the 2014 Constitution, which may explain why there is a disconnect between the principles of the PST and the fundamental democratic principles laid out in the constitution. Meanwhile, the challenges that led to an energy transition strategy in the first place have only grown. The negative trends in the energy sector have been accompanied by a worsening socio-economic situation, including high unemployment, which has averaged roughly 15% in the years since the revolution after having reached a record high of 19% in 2011. Therefore, a successful energy transition must also address the basic revolution demands such as increasing employment, fighting corruption, increasing freedoms, and improving living conditions.

The Tunisian Constitution, approved in 2014, is one of the greatest successes of post-revolution Tunisia. To deliver upon the vision of the constitution, processes (participatory and inclusionary) must become just as important as deliverables such as transparency, participatory democracy, and open governance. Indeed, the constitution's preamble and several of its articles underscore values and

principles directly linked to the energy transition, such as sustainable development and environmental protection.⁵ At the same time, the document also emphasizes the centrality of the determination and will of the Tunisian People in the future of their country and distributional justice as a means of sharing national wealth.

In contrast, the energy transition thus far has been a largely centralized process led mainly by a few central state entities providing little space, if any, for local authorities and/or public participation. This bears few resemblances to the principles laid out in the 2014 Constitution, such as free administration, participatory democracy, and subsidiarity.

The political transition has emphasized decentralization as being conducive to democratization. The currently much discussed decentralization process against the background of the eagerly-anticipated adoption of the *Code on Local Authorities*,⁶ which ought to clearly describe the role of local councils in the overall political system, is a case in point. While the code has generated a lot of debate and undergone several reviews, it has still not been ratified by the Tunisian parliament. If anything, these debates and delays only reconfirm the centrality of the role of local councils in the Tunisian democratic pathway and suggest that a highly centralized energy transition process may be simply incompatible with the aspirations of today's Tunisians.

Recommendations

Given the delicate political context in Tunisia, energy transition decisions need to take into account domestic political implications in two regards. The transition should have a strong socio-economic dimension, in order to not further exacerbate existing inequalities and economic weaknesses – and historically neglected interior regions deserve special attention. Second, future policy thinking and energy transition strategies should include some of the democratic values set out in the constitution and will, in any case, need to factor the public into the planning. A “citizens’ pillar” should be incorporated into the overall energy transition strategy. Below are a number of suggested measures for Tunisian decision makers and their development cooperation partners active in the energy sector:

- *Underscoring employment in energy transition.* Plans should strengthen and prioritize employment prospects in energy projects in the different regions. While Tunisia's energy challenges do not include issues of energy

access to the general population, the equitable sharing of national wealth remains of high priority, particularly for the interior regions that feel abandoned by the central state. Therefore, the energy transition should aim to boost employment policy in these regions. For this purpose, a differentiated needs-based approach by region is essential, and it must go beyond the PST's approach that focuses on regions' potential or technical suitability for specific renewable energy-based projects, but ignores socio-political considerations.

- *Enhancing the role of local authorities in the energy transition.* Decision makers should seize the momentum of the current debate on decentralization to tailor a more significant role for the local councils in advancing the energy transition on their level. This will not only increase their sense of ownership of the energy transition but could prove decisive for the success of projects in the regions where they are planned. Local councils should also be encouraged to advance their own local renewable energy initiatives as effect-multipliers of the energy transition. For this purpose, policy makers should prioritize capacity building for the promotion of structured energy and environment awareness campaigns, tailored to the specific needs of local councils across all regions.

- *Conducting energy-relevant surveys and opinion polls.* Independent and transparent surveys and opinion polls on the most contentious issues should be carried out regularly. The selection of the issues should be based on public demand and media attention as well as relevance to energy projects planned or existing, including environment and public health issues. For example, public perceptions of environmental degradation ought to be regarded as a matter of high importance in all regions. According to a recent survey co-conducted by Heinrich-Boell-Stiftung in Tunis in 2016,⁷ the majority of Tunisians are acutely aware of environmental well-being. While environmental impact assessment studies are required by law as prerequisites for permits to energy projects (since law no. 2005-106), such legal requirements are not substitutes for understanding public perceptions and adequately addressing them. Polls help fill this gap by not only providing decision-makers with insight into public opinion but also opening channels for citizens to express popular concerns and demands.

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Notes

- 1 Efforts have been made with the aim of decreasing energy subsidies and eventually phasing them out.
- 2 Despite its name PST does not only concern solar renewable energy technologies but also wind. The PST was preceded by several laws paving the way for it, most notably law no. 2004-72 for energy efficiency; and law no. 2005-106 establishing a fund for the energy transition.
- 3 According to the *Scorecard Regulatory Indicators for Sustainable Energy RISE*, Tunisia ranks at the 19th place out of 111 countries covered. The ranking is for the total score for the energy efficiency pillar which includes 12 regulatory indicators.
- 4 Ghosh Banerjee et.al, Rise 2016, International Bank for Reconstruction and Development/World Bank, 2017 "Regulatory Indicators for Sustainable Energy: A Global Scorecard for Policy Makers". See: <<http://documents.worldbank.org/curated/en/538181487106403375/pdf/112828-REVISED-PUBLIC-RISE-2016-Report.pdf>> (accessed July 27, 2017).
- 5 Job protests have increased in the last year. In May, they halted oil and gas production of two foreign companies operating in Tunisia. See: <<http://www.reuters.com/article/us-tunisia-protests-idUSKBN1841WQ>> (accessed July 27, 2017).
- 6 Including but not limited to arts. 10, 12, 13 and 136.
- 7 <https://www.reuters.com/article/us-tunisia-election/tunisia-to-hold-long-delayed-municipal-vote-in-2018-idUSKBN1ED1DI> (accessed December 22, 2017).
- 8 Heinrich Boell Stiftung, Survey of Opinion on the Environmental Situation in Tunisia, December 2016. See: <<https://tn.boell.org/fr/2017/04/04/sondage-dopinion-sur-la-situation-environnementale-en-tunisie>> (accessed July 27, 2017).

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